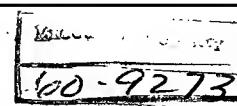


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1 December 1960

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Second Draft of the Annex Report

1. This memorandum is for the information of the DCI.
2. Mr. Sprague apparently intends to discuss the draft Annex Report at the meeting of the Sprague Committee tomorrow and will ask members of the Committee to propose any changes that seem to them desirable in particular paragraphs. I have been over the Annex Report with the CA Staff and the IO Division. There are no very strong objections to any of the paragraphs although some or all of the following points may be worth raising:
  - ° Paragraph 4. The significance of this proposal for the establishment of an OCB Committee to mobilize psychological assets in the Bloc is obscure. It probably should be eliminated.
  - Paragraph 11. First line of recommendation a. should be amended to include the word "additional" after "to discover". Recommendation b. should include the word "further" before the word "Exploitation" with which the sentence begins.
  - Paragraph 12. The last full line has a typographical error. It should read "identifying and exposing".
  - Paragraph 13. The reference to the need for programs to counter Chinese Communist penetration and subversive activity should be expanded to refer to all Communist activity. This could be accomplished by eliminating the word "Chinese" from recommendation b.
  - Paragraph 23 contributes very little and could well be eliminated.

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Paragraph 31. The requirement in this paragraph for field reviews of gray propaganda programs in which senior personnel from State, USIA and CIA participate could perhaps be embarrassing. I suggest insertion of the words "where administratively feasible and subject to security considerations" after the words "senior personnel" in the last line of paragraph 31. Similarly, the words "and where administratively feasible" should be inserted after the words "subject to security considerations" in the next to the last full line of recommendation a.

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Paragraph 35. This paragraph deals with the necessity for increased research facilities and specifically, last full sentence, to the need "to consider the creation of additional instruments outside the Government." We doubt the need for "additional instruments" and recommend deletion of the words "the creation of additional instruments" and substitution of the words "strengthening facilities".

Paragraph 39. Although IO Division has no quarrel with the recommendations of the Annex Report concerning the radios, I think it might be well to eliminate the last six words "or criticism of real Bloc achievements" from recommendation b. of this paragraph. As presently written, the paragraph suggests that the unofficial radios have been needlessly denigrating real Bloc achievements and I doubt that this is true.

3. All of the material beginning on page 50 of the Annex Report is closely related to material in chapters IV and VI of the Basic Report. Conceivably, it would be possible to consolidate all this material in the Basic Report but it is probably rather late to suggest this. From a parochial point of view two comments occur to me:

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Paragraph 76. Pete Scoville has registered considerable skepticism as to whether either controlled thermonuclear reaction or project MOHOLE has sufficient intrinsic value to warrant identification in this report for special attention. We have made this point to the Committee before and it may not be worthwhile making it again.

Paragraph 84. The last sentence refers to the need for "increased intelligence support in order to meet, before they become critical, deteriorating situations which would affect military capabilities." I presume the report here refers to the need for intelligence on such matters as civil disturbances in [redacted] which have already been a matter of discussion with [redacted] A recommendation of this sort might lead to the attachment of exaggerated importance to this type of intelligence support and you may wish to consider recommending the elimination of the last sentence of the paragraph as well as recommendation b.

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[redacted]  
John A. Gross  
Senior Planning Officer  
O/DDP

cc: DDCI

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